



Harnessing the Power of *Markets* . . .
to Improve the *Environment*

Sixth National Green Power Marketing Conference

Green Certificate Trading and Tracking

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Environmental Resources Trust:

Renewable Portfolio Manager for the Northern Illinois Electric Alliance and the City of Chicago

Presented by:

Environmental Resources Trust



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What is ERT?

A Not-for-Profit 501C (3) Organization

Founded with the Assistance of
Environmental Defense

Seeks to engage Market Forces to Bridge
the Gap between Economic and
Environmental Aspirations



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ERT as Renewable Portfolio Manager for the Alliance

Topics to Discuss:

- Description of ERT
- Description of EcoPowerSM
- ComEd/ERT Relationship
- How ERT Satisfies Alliance Renewable Requirements
- Possibilities for Developing New Resources

Concept:

Environmental Resources Trust will serve as the Alliance Renewable Portfolio Manager, utilizing EcoPowerSM from ComEd to satisfy Alliance renewable energy requirements.



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EcoPowerSM Renewable Energy



What is EcoPowerSM :

- EcoPowerSM is a servicemark of the Environmental Resources Trust (ERT) a private, non-profit organization founded with assistance of Environmental Defense
- Electricity that demonstrates a net environmental benefit (at least 50% lower emissions) compared to average system power in a region can be an eligible EcoPowerSM resource
- EcoPowerSM is derived from renewable energy resources such as landfill gas, wind, small hydro and solar

Benefits of EcoPowerSM :

- All net premiums from EcoPowerSM sales are reinvested by ERT to promote new renewable energy development in Illinois
- ERT provides a Substantiation Memo quantifying the net environmental benefit of the resource versus system power



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ComEd/ERT Relationship

- ComEd has entered into an agreement with ERT to market EcoPowerSM at the wholesale level
- ComEd has exclusive rights to use the EcoPowerSM label to market renewable energy generated from a resource located in Illinois
- Partnering with ERT, ComEd is taking a leadership position in promoting renewable energy development and markets in the Midwest
- Alliance RFQ provides a unique opportunity to expand renewable energy development



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How ERT Will Satisfy Alliance Renewable Requirements

As the Alliance Renewable Portfolio Manager, ERT will fulfill the environmental requirements of the Alliance as follows:

Promoting Renewable Energy

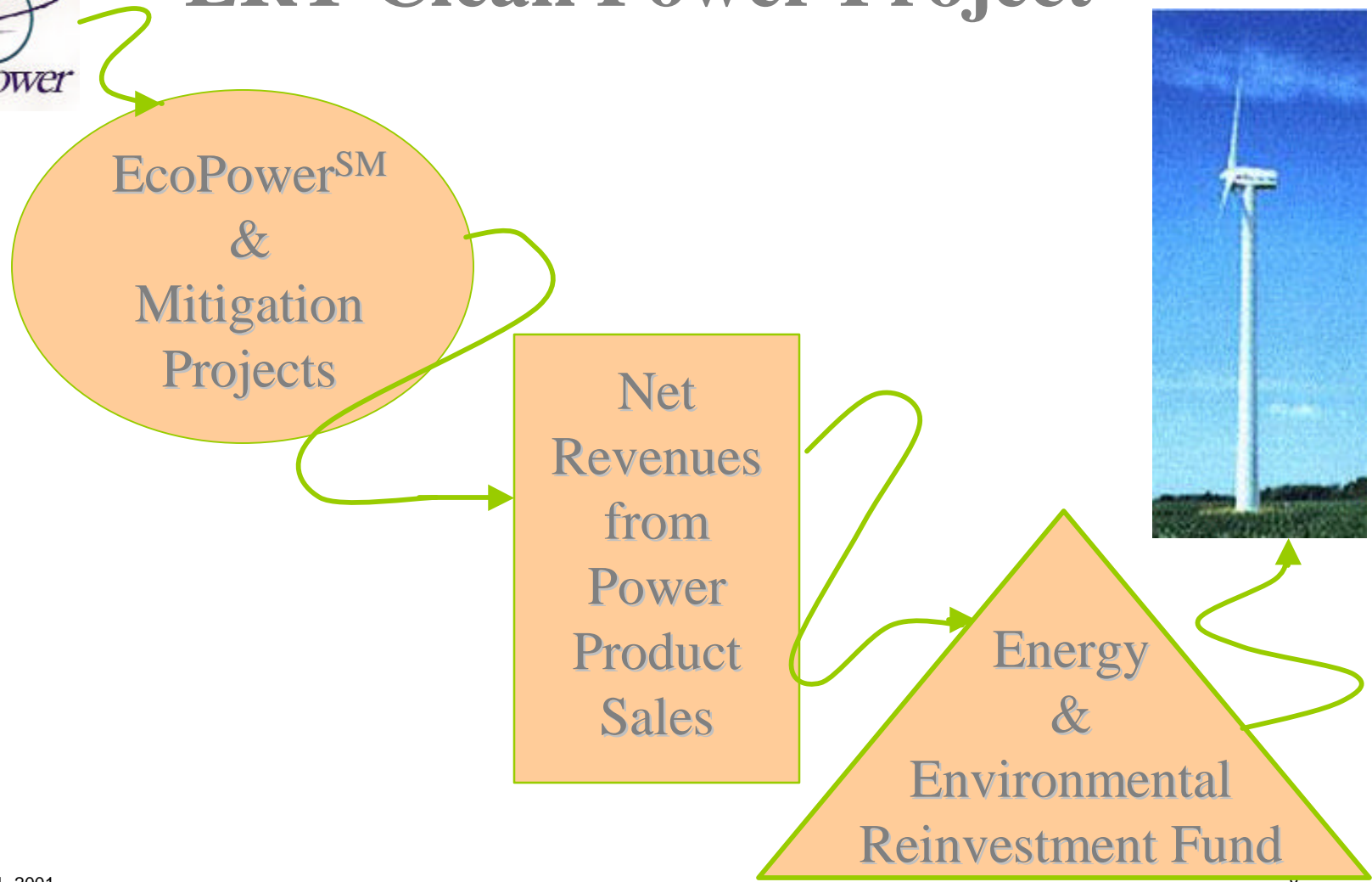
- ERT will aggregate EcoPowerSM Certificates from ComEd to meet Alliance renewable energy requirements
- Renewable resources in Year 1 will be based on landfill gas to energy
- ERT will identify additional renewable resources to offer, including wind and solar
- Renewable Certificates will be sold to the Alliance at a predetermined price
- ERT will bill the Alliance separately for the certificates
- Most of the premium paid for EcoPowerSM (70%) will be reinvested by ERT in new renewable energy projects in Illinois



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ERT Clean Power Project





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How ERT Will Satisfy Alliance Renewable Requirements, Continued

Quantifying the Emission Reduction Benefit

- ERT provides a Substantiation Memo quantifying the net environmental benefit of utilizing renewable resources, audited by a Big 5 Accounting Firm
- ERT will quantify the Alliance's emissions reduction benefit, based on the mix of renewables in the portfolio
- By displacing fossil fueled generation, EcoPowerSM landfill gas to energy provides a net environmental benefit in lower air emissions of:
 - 2,136 lb CO₂ per MWh
 - 7.45 lb NO_x per MWh
 - 16.15 lb SO₂ per MWh
- For example, purchasing 57,000 MWh of EcoPowerSM reduces the Alliance's environmental footprint by:
 - 60,900 Tons of CO₂
 - 212 Tons of NO_x
 - 461 Tons of SO₂



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Renewable Certificates- How Do They Work?

- Renewable certificates represent the environmental attributes of a renewable energy resource
- These certificates can be purchased in MWh blocks and combined with commodity power to produce green power
- The green certificate price represents the premium buyers are willing to pay for environmentally friendlier power
- The Automated Power Exchange (APX) Midwest Green Power Market provides an audit function that will track certificate sales between ComEd and ERT
- This verification feature eliminates the possibility of renewable certificates being sold twice

No. XXX123



****2564 MWh**

TICKETS

SPECIMEN

EcoPower Tickets from ComEd

This certifies that

City of Chicago, Department of Aviation

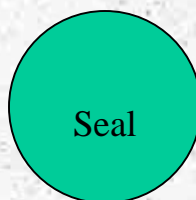
Is the owner of

****2564 MWh of EcoPowerSM Tickets**

Energy Resource: Landfill Gas to Energy

Generated: Year 2001

Date of Issuance: August 1, 2001



ComEd

An Exelon Company



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Summary of Roles and Responsibilities

Alliance Members

- Determine quantity of renewable energy desired annually

Environmental Resource Trust

- Assists Alliance members in renewable energy purchase decisions
- Aggregates renewable certificates for sale to Alliance members
- Substantiates the environmental benefit of EcoPowerSM
- Reinvests premiums into new renewable energy resource development

ComEd

- Creates EcoPowerSM renewable certificates
- Transfers EcoPowerSM renewable certificates to ERT